

Second Extraordinary Session, 2000

HOUSE BILL NO. 2

BY REPRESENTATIVE LEBLANC

AN ACT

To provide for the establishment and reestablishment of agency ancillary funds, to be specifically known as internal service funds, auxiliary funds, or enterprise funds for certain state institutions, officials, and agencies; to provide for appropriation of funds; and to regulate the administration of said funds.

Be it enacted by the Legislature of Louisiana:

Section 1. There are hereby appropriated the amounts shown below, which shall be payable out of the state general fund, to the extent of funds deposited, unless otherwise specified, for the establishment and reestablishment of agency ancillary funds which shall be specifically known as internal service funds, auxiliary funds, or enterprise funds. The monies in each fund shall be used for working capital in the conduct of business enterprises rendering public service, auxiliary service, and interagency service.

In the conduct of each such business, receipts shall be deposited in the state treasury and disbursements made by the state treasurer to the extent of the amount deposited to the credit of each ancillary fund, for the Fiscal Year 2000-2001. All funds appropriated herein shall be expended in compliance with the public bid laws of the state.

Section 2.A. Except as otherwise provided by law or as herein otherwise provided, any fund equity resulting from prior year operations shall be included as a resource of the fund from which the ancillary fund is directly or indirectly derived.

B. Funds on deposit with the state treasury at the close of the fiscal year are authorized to be transferred to each fund respectively, as equity for Fiscal Year 2001-2002, except for the following amounts which shall revert to the State General Fund:

<u>Schedule</u>	<u>Agency</u>	<u>Amount</u>
21-805	Administrative Services	\$ 122,651
21-806	Louisiana Property Assistance Agency	\$ 139,926
21-808	Office of Telecommunications Management	\$ 462,154
21-809	Administrative Support	\$ 25,891
21-811	Prison Enterprises	\$ 168,449

Any budgetary adjustments increasing funding to these agencies during Fiscal Year 2000-2001 that would result in the reduction of the above amounts must be approved by the commissioner of administration and the Joint Legislative Committee on the Budget. All unexpended cash balances as of June 30, 2001, shall be remitted to the state treasurer on or before August 14, 2001.

If not reestablished in the subsequent year's Act, the agency must liquidate all assets and return all advances no later than August 14, 2001.

C.(1) The program descriptions contained in this Act are not part of the law and are not enacted into law by virtue of their inclusion into this Act.

(2) Unless explicitly stated otherwise, each of the program objectives and the associated performance indicators contained in this Act shall reflect performance to be achieved by the 2000-2001 Fiscal Year.

Section 3. All monies from self-generated revenues of any agency shall be deemed to be available for expenditure in the amounts herein appropriated. Only upon approval of the division of administration and the Joint Legislative Committee on the Budget will any increase in self-generated revenue over the amount herein appropriated be available to agencies for expenditure. However, the commissioner of administration by unilateral action may approve increases from self-generated revenues which in aggregate do not exceed five percent of the self-generated revenues appropriated.

Section 4. The figures in parentheses following the designation of a budget entity are the total authorized positions for that entity. In recognizing the extraordinary actions taken by the governor and legislature to ensure that the appropriations contained in this Act do not exceed the official forecast of the Revenue

Estimating Conference, and especially the gubernatorially mandated statewide personnel reductions, and to minimize the potential for disruption of the delivery of essential public services to the citizens of this state, the provisions of this Section, relative to the appropriations contained herein, are authorized.

Notwithstanding any other provision of this Act or law to the contrary, the head of each department and agency affected by the gubernatorially mandated statewide personnel reduction may, with the approval of the commissioner of administration, transfer up to fifteen percent of their authorized positions, and funds related to such positions, from one budget unit to any other budget unit within that department or agency's Schedule. Notwithstanding any other provision of this Act or law to the contrary, transfers of authorized positions, and funds related to such positions, which exceed fifteen percent may be made between budget units within a department or agency, but only if approved by the commissioner of administration and by the Joint Legislative Committee on the Budget. In no event shall the number of authorized positions of any budget unit, as adjusted by any transfer as authorized by this Section, exceed the number of authorized positions for such budget unit as contained in the Fiscal Year 2000-2001 executive budget recommendation.

The commissioner of administration shall provide written notice to the Joint Legislative Committee on the Budget of any transfers approved by the commissioner which do not require approval by the committee. Such written notice shall detail the affected budget unit and department, as well as the justification for the approval. In order to minimize to the extent possible the laying off of personnel, all departments and agencies affected by these reductions may exceed their respective tables of organization until January 1, 2001, provided that in no event shall such table of organization exceed the respective table of organization contained in the Fiscal Year 2000-2001 executive budget recommendation. The commissioner of administration shall monthly provide a written report to the Joint Legislative Committee on the Budget as to the implementation of the personnel reductions. On January 1, 2001, the total number of filled positions within each department or agency shall not exceed the respective table of organization as provided in this Act.

Section 5. The following definition is provided for the terms of this Act:

"Working Capital" shall be considered the excess of current assets over current liabilities on an accrual basis.

Section 6. Should any section, subsection, clause, sentence, phrase, or part of the Act for any reason be held, deemed or construed to be unconstitutional or invalid, such decisions shall not affect the remaining provisions of the Act, and the legislature hereby declares that it would have passed the Act, and each section, subsection, clause, sentence, phrase, or part thereof, irrespective of the fact that one or more of the sections, subsections, clauses, sentences, phrases, or parts thereof, is declared unconstitutional or invalid. To this end, the provisions of this Act are hereby declared severable.

Section 7. Internal Service Funds. These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. Excess cash funds, excluding cash funds arising from working capital advances, shall be invested by the state treasurer with the interest proceeds therefrom credited to each account and shall not be transferred to the state general fund.

**21-800 STATE EMPLOYEES’ GROUP BENEFITS PROGRAM**

**EXPENDITURES:**

State Group Benefits Program - Authorized Positions (355) \$531,485,805

**Program Description:** *Provides for the administration of the group and accidental insurance and group life insurance to state employees and participating local entities. Includes administration, claims review, and claims payment.*

**Objective:** To pay health claims within an average of 20.31 days.

**Performance Indicators:**

Average turnaround time for health claim payments (in days)	20.31
Number of group health and accident claims processed	3,587,965
Amount of health and accident claims payments (in millions)	\$301.8

**TOTAL EXPENDITURES** \$531,485,805

**MEANS OF FINANCE:**

State General Fund by:

Fees & Self-generated Revenues \$531,485,805

**TOTAL MEANS OF FINANCING** \$531,485,805

Payable out of the State General Fund by  
Fees and Self-generated Revenues for a 12.5%  
increase in premium rates and projected  
increase in participant membership level \$65,054,218

21-804 OFFICE OF RISK MANAGEMENT

EXPENDITURES:

Administrative - Authorized Positions (130) \$6,848,987

**Program Description:** Provides for the overall executive leadership and management of the office, support services, policy analysis, and management direction of the state’s self-insurance program.

**Objective:** To provide all state agencies with insurance coverage at a price that is less than the equivalent commercial coverage cost.

**Performance Indicators:**

Cost of ORM premiums (in millions) \$149.9  
Cost of equivalent commercial premiums (in millions) \$406.3

Claims Losses and Related Payments \$93,550,732

**Program Description:** Provides funding for the payment of losses on medical malpractice, road hazard, property, comprehensive general liability, personal injury, automobile liability, automobile physical damage, bonds, crime, aviation, wet marine boiler and machinery, and miscellaneous tort claims.

**Objective:** To complete 100% of the project to develop and establish a method of electronic claims reporting for the auto physical damage line of insurance.

**Performance Indicator:**

Percentage of project completion 100%

Contract Litigation \$10,000,000

**Program Description:** Provides funding for the payment of contracts issued for the professional legal defense of claims made against the state, including attorneys and expert witnesses.

**Objective:** To pay contract attorneys/firms for billings issued to the Office of Risk Management legal services.

**Performance Indicator:**

Amount paid for contract attorneys and associated expenses \$10,000,000

Division of Risk Litigation \$10,721,492

**Program Description:** Provides funding for reimbursement of the Division of Risk Litigation in the Louisiana Department of Justice for the costs incurred for the professional legal defense of claims made against the state.

**Objective:** To enter 100% of the cost allocations for the Department of Justice’s Division of Risk Litigation (DRL) costs to each claim represented by the DRL within 45 days of receipt of DRL report.

**Performance Indicator:**

Percentage of costs entered on claims within 45 days of receipt 100%

TOTAL EXPENDITURES \$121,121,211

MEANS OF FINANCE:

State General Fund by:

Fees & Self-generated Revenues \$121,121,211

TOTAL MEANS OF FINANCING \$121,121,211

21-805 ADMINISTRATIVE SERVICES

EXPENDITURES:

Administrative Services - Authorized Positions (34) \$5,207,334

**Program Description:** Provides for forms management and printing services to state agencies in a cost-competitive atmosphere with the private sector.

**Objective:** To reduce average customer response time by 15% to six days.

**Performance Indicators:**

Percentage change in average customer response time 15%  
Average customer response time (in days) 6

TOTAL EXPENDITURES \$5,207,334

MEANS OF FINANCE:

State General Fund by:	
Fees & Self-generated Revenues	\$5,207,334
TOTAL MEANS OF FINANCING	\$5,207,334

21-806 LOUISIANA PROPERTY ASSISTANCE AGENCY

EXPENDITURES:

Louisiana Property Assistance - Authorized Positions (44)	\$3,423,397
<b>Program Description:</b> <i>Provides oversight/centralized control of state inventory, marketing of surplus state property, and management of state vehicles pursuant to the state fleet management regulations.</i>	
<b>Objective:</b> To ensure that at least 95% of the state’s moveable property accounts are in compliance with state property control rules and regulations.	
<b>Performance Indicator:</b>	
Percentage of agencies in compliance with property control rules and regulations	95%
<b>Objective:</b> To respond to 75% of agencies’ requests for pick-up of surplus property within 90 days of receiving notification for pick-up.	
<b>Performance Indicator:</b>	
Percentage of surplus property picked up within 90 days	75%
<b>Objective:</b> To annually ensure that 75% of eligible vehicle purchases by the state of Louisiana will be in compliance with the Clean Air Act of 1980 and the Energy Policy Act of 1992.	
<b>Performance Indicator:</b>	
Percentage of eligible vehicle purchases that are alternative fuel vehicles	75%
TOTAL EXPENDITURES	\$3,423,397

MEANS OF FINANCE:

State General Fund by:	
Fees & Self-generated Revenues	\$3,423,397
TOTAL MEANS OF FINANCING	\$3,423,397

21-807 FEDERAL PROPERTY ASSISTANCE

EXPENDITURES:

Federal Property Assistance - Authorized Positions (12)	\$1,762,053
<b>Program Description:</b> <i>Provides for screening, acquisition, warehousing, and distribution of federal property for the benefit of public agencies and institutions.</i>	
<b>Objective:</b> To donate 70% of the federal surplus property allocated to Louisiana in FY 2000-01.	
<b>Performance Indicator:</b>	
Percentage of allocated federal surplus property donated	70%
TOTAL EXPENDITURES	\$1,762,053

MEANS OF FINANCE:

State General Fund by:	
Fees & Self-generated Revenues	\$1,762,053
TOTAL MEANS OF FINANCING	\$1,762,053

21-808 OFFICE OF TELECOMMUNICATIONS MANAGEMENT

EXPENDITURES:

Telecommunications Management - Authorized Positions (91) \$52,496,325

**Program Description:** Provides for cost-effective telecommunications services to state entities through state's volume purchasing power; procures and coordinates telecommunications systems and services, including billing, telecommunications consulting services to user agencies, inventorying of needs, and long-term plans for the acquisition and use of telecommunications systems.

**Objective:** To procure, provide, manage, and maintain a statewide long distance network (known as LINC) capable of providing long distance service to state agencies at rates which are lower than rates available through commercial offerings.

**Performance Indicators:**

Office of Telecommunications Management rate per minute	\$0.085
Commercial rate per minute	\$0.1543
Annual savings over commercial rates	\$4,989,600

**Objective:** To procure, provide, manage, and maintain a statewide wide area network, including a gateway to access the Internet capable of facilitating communications among educational institutions and state agencies within Louisiana, at stable or decreasing rates.

**Performance Indicators:**

Percentage change in OTM dedicated 56K rate	0%
Percentage change in OTM dedicated T-1 rate	0%

**Objective:** To procure, manage, and provide enhanced local dial tone service to state agencies at rates that are standard throughout the state and are competitive with commercial offerings.

**Performance Indicators:**

Office of Telecommunications Management rate per line	\$18.00
Commercial rate per line	\$36.17
Annual savings over commercial rates	\$1,035,690

TOTAL EXPENDITURES \$52,496,325

MEANS OF FINANCE:

State General Fund by:

Fees & Self-generated Revenues	<u>\$52,496,325</u>
--------------------------------	---------------------

TOTAL MEANS OF FINANCING \$52,496,325

21-809 ADMINISTRATIVE SUPPORT

EXPENDITURES:

Administrative Support - Authorized Positions (10) \$2,570,623

**Program Description:** Provides for messenger and mail support to state user agencies.

**Objective:** To reduce barcode reject rate in presorted first class mail from the actual FY 1998-99 level (22.0%) to 18.0%

**Performance Indicator:**

First class presort barcode reject rate	18.0%
---	-------

TOTAL EXPENDITURES \$2,570,623

MEANS OF FINANCE:

State General Fund by:

Fees & Self-generated Revenues	<u>\$2,570,623</u>
--------------------------------	--------------------

TOTAL MEANS OF FINANCING \$2,570,623

21-829 OFFICE OF AIRCRAFT SERVICES

EXPENDITURES:

Flight Maintenance - Authorized Positions (4)	\$1,314,259
<b>Program Description:</b> Oversees the overall maintenance and care of state-owned aircraft; provides servicing, fueling, and storage of aircraft.	
<b>Objective:</b> To have no (0%) scheduled flight cancellations due to non-scheduled maintenance..	
<b>Performance Indicators:</b>	
Percentage of flights canceled due to unscheduled maintenance	0%
Number of flights canceled due to unscheduled maintenance	0
<b>Objective:</b> To maintain maintenance man-hour costs at 40% of the national average (\$60).	
<b>Performance Indicators:</b>	
National man-hours cost average	\$60
State man-hours cost average	\$22.70
TOTAL EXPENDITURES	\$1,314,259

MEANS OF FINANCE:

State General Fund by:	
Fees & Self-generated Revenues	\$1,314,259
TOTAL MEANS OF FINANCING	\$1,314,259

Payable out of the State General Fund by	
Fees and Self-generated Revenues for additional maintenance requirements on state aircraft	\$500,000

21-790 STATE POLICE ACADEMY

EXPENDITURES:

Administrative Program - Authorized Positions (18)	\$6,033,410
<b>Program Description:</b> Maintains a training school for Louisiana State Police commissioner personnel and for commissioned and noncommissioned personnel of other state, local, and federal agencies.	
<b>Objective:</b> Through the Operations Activity, to evaluate semi-annually all troopers' physical fitness through the Wellness Program.	
<b>Performance Indicators:</b>	
Number of commissioned personnel tested	1,062
Level of fitness:	
Percentage rated "poor"	50%
Percentage rated "fair"	50%
<b>Objective:</b> Through the Anti-Terrorism Assistance Program, to maintain training courses offered by the International Training Section at FY 1999-00 levels.	
<b>Performance Indicators:</b>	
Number of courses hosted at LSP Academy	35
Number of students trained	760
<b>Objective:</b> To conduct 152 police development courses.	
<b>Performance Indicator:</b>	
Number of police development courses	152
TOTAL EXPENDITURES	\$6,033,410

MEANS OF FINANCE:

State General Fund by:	
Fees & Self-generated Revenues	\$3,026,576
Federal Funds	\$3,006,834
TOTAL MEANS OF FINANCING	\$6,033,410



21-810 PUBLIC SAFETY SERVICES CAFETERIA

EXPENDITURES:		
Administrative Program - Authorized Positions (17)		<u>\$1,483,541</u>
Program Description: Provides on-site facilities for food consumption.		
Objective: To promote customer services through customer awareness, while maintaining a self-supporting operation.		
Performance Indicators:		
Sales to state agencies	\$1,245,000	
Sales to customers	\$310,000	
TOTAL EXPENDITURES		<u>\$1,483,541</u>
MEANS OF FINANCE:		
State General Fund by:		
Fees & Self-generated Revenues		<u>\$1,483,541</u>
TOTAL MEANS OF FINANCING		<u>\$1,483,541</u>

21-791 JACKSON REGIONAL LAUNDRY

EXPENDITURES:		
Jackson Regional Laundry - Authorized Positions (37)		<u>\$1,167,541</u>
Program Description: Processes laundry for various state agencies.		
Objective: To provide adequate and cost-effective laundry services for 14 customer agencies through processing approximately 3.4 million pounds of laundry.		
Performance Indicators:		
Pounds of laundry processed (in millions)	3.4	
Average cost per pound	\$0.28	
TOTAL EXPENDITURES		<u>\$1,167,541</u>
MEANS OF FINANCE:		
State General Fund by:		
Fees & Self-generated Revenues		<u>\$1,167,541</u>
TOTAL MEANS OF FINANCING		<u>\$1,167,541</u>

21-796 CENTRAL REGIONAL LAUNDRY

EXPENDITURES:		
Central Regional Laundry - Authorized Positions (31)		<u>\$1,372,339</u>
Program Description: Processes laundry for various state agencies.		
Objective: To provide adequate and cost-effective laundry services for 4 customer agencies through processing approximately 2 million pounds of laundry.		
Performance Indicators:		
Pounds of laundry processed (in millions)	2.1	
Average cost per pound	\$0.31	
TOTAL EXPENDITURES		<u>\$1,372,339</u>
MEANS OF FINANCE:		
State General Fund by:		
Fees & Self-generated Revenues		<u>\$1,372,339</u>
TOTAL MEANS OF FINANCING		<u>\$1,372,339</u>

**21-818 NATURAL RESOURCES COPY AND PUBLICATIONS CENTER**

EXPENDITURES:

Copy and Publications Center - Authorized Positions (5)	<u>\$413,165</u>
<b>Program Description:</b> <i>Prints various documents for the Department of Natural Resources and other state agencies.</i>	
<b>Objective:</b> To provide 10,459,000 competitively priced impressions, photocopies and offsets.	
<b>Performance Indicator:</b>	
Total impressions, photocopying and offsets	10,459,000
TOTAL EXPENDITURES	<u>\$413,165</u>

MEANS OF FINANCE:

State General Fund by:	
Fees & Self-generated Revenues	<u>\$413,165</u>
TOTAL MEANS OF FINANCING	<u>\$413,165</u>

**21-860 MUNICIPAL FACILITIES REVOLVING LOAN FUND**

EXPENDITURES:

Municipal Facilities Revolving Loan Fund - Authorized Positions (18)	<u>\$61,136,088</u>
<b>Program Description:</b> <i>These funds are used to make low interest loans to local political subdivisions (cities, towns, municipalities, and sewer districts) for the construction of publicly owned treatment works.</i>	
<b>Objective:</b> To review 100% of the loan applications and associated documents within 60 days of receipt.	
<b>Performance Indicator:</b>	
Percentage of loan applications and associated documents reviewed within 60 days of receipt	100%
TOTAL EXPENDITURES	<u>\$61,136,088</u>

MEANS OF FINANCE:

State General Fund by:	
Statutory Dedications	
Municipal Facilities Revolving Loan Fund	\$45,657,721
Safe Drinking Water Revolving Loan Fund	\$15,000,000
Federal Funds	<u>\$ 478,367</u>
TOTAL MEANS OF FINANCING	<u>\$61,136,088</u>

Section 8. Auxiliary Funds. These funds are for the establishment of an Auxiliary Fund to finance the operation of a subsidiary support activity and properly reported as a governmental fund type under generally accepted accounting principles.

**DEPARTMENT OF THE TREASURY**

For providing monies to establish petty cash, travel imprest funds and "seeding" of appropriations as authorized and approved by the commissioner of administration.

Payable from:	
State General Fund be it more or less estimated at	<u>\$1,000,000</u>

Section 9. Enterprise Funds. These funds account for operations that are financed and operated in a manner similar to private business enterprise. Excess cash

funds, excluding cash funds derived from working capital advances shall be invested by the state treasurer with the interest proceeds therefrom credited to the enterprise funds and shall not be transferred to the state general fund.

**21-811 PRISON ENTERPRISES**

**EXPENDITURES:**

Prison Enterprises - Authorized Positions (94) \$27,255,713

**Program Description:** *Utilizes the resources of the Department of Public Safety and Corrections in the production of food, fiber, and other necessary items used by inmates in order to lower the cost of incarceration; provides products and services to state agencies and agencies of parishes, municipalities, and other political subdivisions; also provides work opportunities for inmates. Conducts both industry and agricultural operations.*

**Objective:** To increase product sales.

**Performance Indicators:**

Sales to state agencies	\$1,234,260
Sales to nonstate agencies	\$871,976

**Objective:** To maintain or increase direct savings to the state through payment of inmate incentive wages.

**Performance Indicator:**

Amount of inmate incentive wages paid	\$1,014,235
---------------------------------------	-------------

TOTAL EXPENDITURES	<u>\$27,255,713</u>
--------------------	---------------------

**MEANS OF FINANCE:**

State General Fund by:

Fees & Self-generated Revenues	<u>\$27,255,713</u>
--------------------------------	---------------------

TOTAL MEANS OF FINANCING	<u>\$27,255,713</u>
--------------------------	---------------------

**21-813 SABINE RIVER AUTHORITY**

**EXPENDITURES:**

Sabine River Authority - Authorized Positions (61) \$5,282,005

**Program Description:** *The mission of this program is to provide for economic utilization and preservation of the waters of the Sabine River and its tributaries by promoting economic development, irrigation, navigation, improved water supply, drainage, public recreation, and hydroelectric power for the citizens of Louisiana.*

**Objective:** To increase revenues from recreational fees, payments from the Cypress Bend Resort and water sales from Toledo Bend Reservoir to at least \$1,192,000.

**Performance Indicator:**

Revenue from selected sources	\$1,192,000
-------------------------------	-------------

**Objective:** To protect the groundwater supplies of the Chicot aquifer from depletion by providing sufficient fresh water to meet the industrial and agricultural needs. Specifically, to maintain the hydrostatic head of the Chicot "500-foot-sand" aquifer above 115 feet below the land surface for 100% of the measurements taken at a representative well.

**Performance Indicator:**

Percentage of measurements above 115 feet below land surface	100%
--	------

**Objective:** To increase the number of visitors to recreation sites to at least 138,000.

**Performance Indicator:**  
Number of recreation site visitors 138,000

**Objective:** To improve economic and social conditions in West Central Louisiana as indicated by increase of 2% in both lake area hotel/motel tax collections and city of Many sales tax collections over those of the previous year.

**Performance Indicators:**  
Percentage increase in lakeside hotel/motel occupancy tax over previous year 2%  
Percentage increase in Many sales tax collections over previous year 2%

TOTAL EXPENDITURES \$5,282,005

MEANS OF FINANCE:

State General Fund by:  
Fees & Self-generated Revenues \$5,282,005

TOTAL MEANS OF FINANCING \$5,282,005

Section 10. The commissioner of administration is authorized to substitute all or a part of the means of finance for the project contained in House Bill No. 2 of the 2000 Regular Session of the Legislature for the Abbeville Harbor and Terminal District to be payable from the balance of State General Fund (Direct) previously allocated in Act 29 of 1998 for the Abbeville Harbor and Terminal District for Freshwater Bayou Locks By-Pass Channel, and such funds are hereby deemed appropriated to said project as contained in House Bill No. 2 of the 2000 Regular Session of the Legislature.

Section 11. This Act shall become effective on July 1, 2000; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2000, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_